GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

STARRED QUESTION NO:329
ANSWERED ON:18.04.2005
FARMER INCOME INSURANCE SCHEME
Adhalrao Patil Shri Shivaji;Adsul Shri Anandrao Vithoba

Will the Minister of AGRICULTURE be pleased to state:

(a) the main features of Farmer Income Insurance Scheme (FIIS);

(b) whether the Union Government has extended FIIS to Kharif crops also;

(c) if so, the details thereof;

(d) the number of farmers benefited under the scheme during the last two years, State-wise; and

(e) the steps taken by the Union Government to popularize the scheme in the country?

Answer

MINISTER OF AGRICULTURE (SHRI SHARAD PAWAR)

(a) to (e): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 329 DUE FOR REPLY ON 18TH APRIL, 2005.

(a) to (c): With the interest of ensuring stable income to the farmers, which is determined by yield and price, the Department of Agriculture & Cooperation through a single policy instrument implemented the Farm Income Insurance Scheme (FIIS) on pilot basis during Rabi 2003-04 and Kharif 2004 seasons in few selected districts/States. The main features of the scheme were:-

(i) Crops covered, only rice and wheat.

(ii) The scheme is based on a `homogeneous area` approach. Notified area can be an administrative unit such as a gram panchayat, mandal, revenue circle, block, taluka or district.

(iii) The scheme is compulsory for loanee farmers and voluntary for non-loanee farmers.

(iv) The premium rates are actuarial determined for each State at the district level.

(v) The Government of India subsidizes the premium payable by the insured farmers. The subsidy will be 75% of the premium for small and marginal farmers and 50% for other farmers.

(vi) Two levels of indemnity, i.e. 90% for low-risk areas and 80% for high-risk areas.

(vii) If the actual income (current yield X current market price) is lower than guaranteed income (average yield of 7 years X level of indemnity (80% or 90%) X MSP), the insured farmer receives compensation.

(viii) NAIS is suspended for the selected districts/crops where the pilot FIIS is implemented.

The scheme was not accepted by some States because suspension of MSP based procurement was not acceptable to them. Besides this there were other issues such as off-setting behaviour of yield and price, high premium rates, un-attractive guaranteed income and coverage of only two crops i.e. wheat and rice.

Therefore, keeping in view the findings of the concurrent evaluation study and recommendation of the Joint Group on Crop Insurance, the scheme has been discontinued from Rabi 2004-05 season.

(d): Statement indicating State-wise number of farmers benefited under the scheme is annexed.

(e): As the scheme has been discontinued with effect from Rabi 2004-05, further popularization of the scheme is not required.

ANNEXURE

FARM INCOME INSURANCE SCHEME

STATEWISE DETAILS OF FARMERS BENEFITTED

SEASON RABI 2003-04

S.No.	STATE	NO. OF FARMERS BENEFITTED
1.	Assam	1740
2.	Bihar	11
3.	Chhatishgarh	2146
4.	Gujarat	0
5.	Jharkhand	570
6.	Karnataka	0
7	Madhya Pradesh	0
8.	Maharashtra	124
9.	Tamil Nadu	0
10.	Uttar Pradesh	6709
11.	Uttaranchal	23
12.	Jammu & Kashmir	0
	Total	11323

SEASON KHARIF 2004#

The Market Price for Kharif 2004 season for other States are yet to be received and hence the claims are yet to be worked out.